



J TRUST

3rd Quarter of FY2016

Earnings Presentation

February 2016
J Trust Co., Ltd.



1. Nine Months Performance in FY2016

2. Performance by Segments

3. Questions and Answers

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- Please note that figures based on IFRS in this material are unaudited figures prepared by the Company as a reference.
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- There are three months difference between consolidated accounting period and accounting period of Bank JTrust Indonesia. (1Q reflects figures of Bank JTrust Indonesia from January till March, 2Q reflects figures of Bank JTrust Indonesia from April till June and 3Q reflects figures of Bank JTrust Indonesia from July till September.)
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Key Point

Key Point

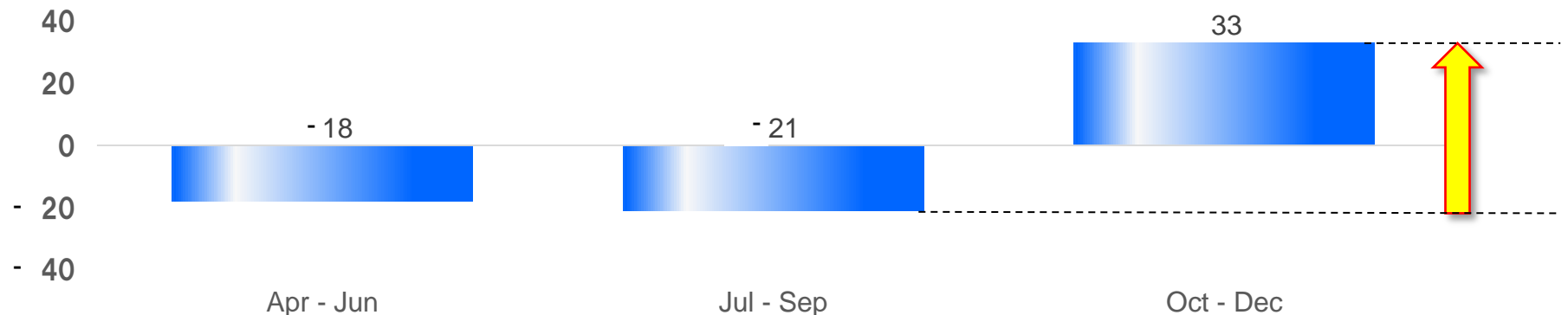
- Significantly increased consolidated operating income under IFRS, 5.4 billion yen is recorded, compared to the previous quarter.

Under IFRS *unaudited

Consolidated income statement

(in 100 million yen)

FY2016	Apr - Dec	1Q Apr - Jun	2Q Jul - Sep	3Q Oct - Dec	Change
Operating revenue	573	187	183	203	+20
Operating income	-6	-18	-21	33	+54



Key Point

- Financial business in Southeast Asia improved drastically under IFRS compared to the second quarter of FY2016.

Under IFRS *unaudited

Segment Income before consolidation adjustment

(in 100 million yen)

FY2016	Apr - Dec	1Q Apr - Jun	2Q Jul - Sep	3Q Oct - Dec	Change
Domestic financial business	33	11	8	13	+5
Financial business in South Korea	-3	-8	0.7	5	+5
Financial business in Southeast Asia	-40	-5	-30	-5	+25
Investment business	27	-	8	18	+10
Non-financial business	5	1	4	-0.3	-4
Adjustments / Others	-28	-17	-12	2	+13
Total	-6	-18	-21	33	+54

- I. Domestic financial business
⇒ Increased both operating revenue and operating income in a constant manner, resulting in exceeding the initial plan.
- II. Financial business in South Korea
⇒ Continued preferred business and good performance.
Aim to achieve the full-year target under IFRS.
- III. Financial business in Southeast Asia
⇒ Focused on reorganization of sales force to create a positive turnaround.
- IV. Non-financial business / Investment business
⇒ Benefited greatly from investment business of JTRUST ASIA PTE. LTD., resulting in offsetting the financial loss in Southeast Asia.



Constant progress to achieve
FY2016's target

Nine Months Performance in FY2016

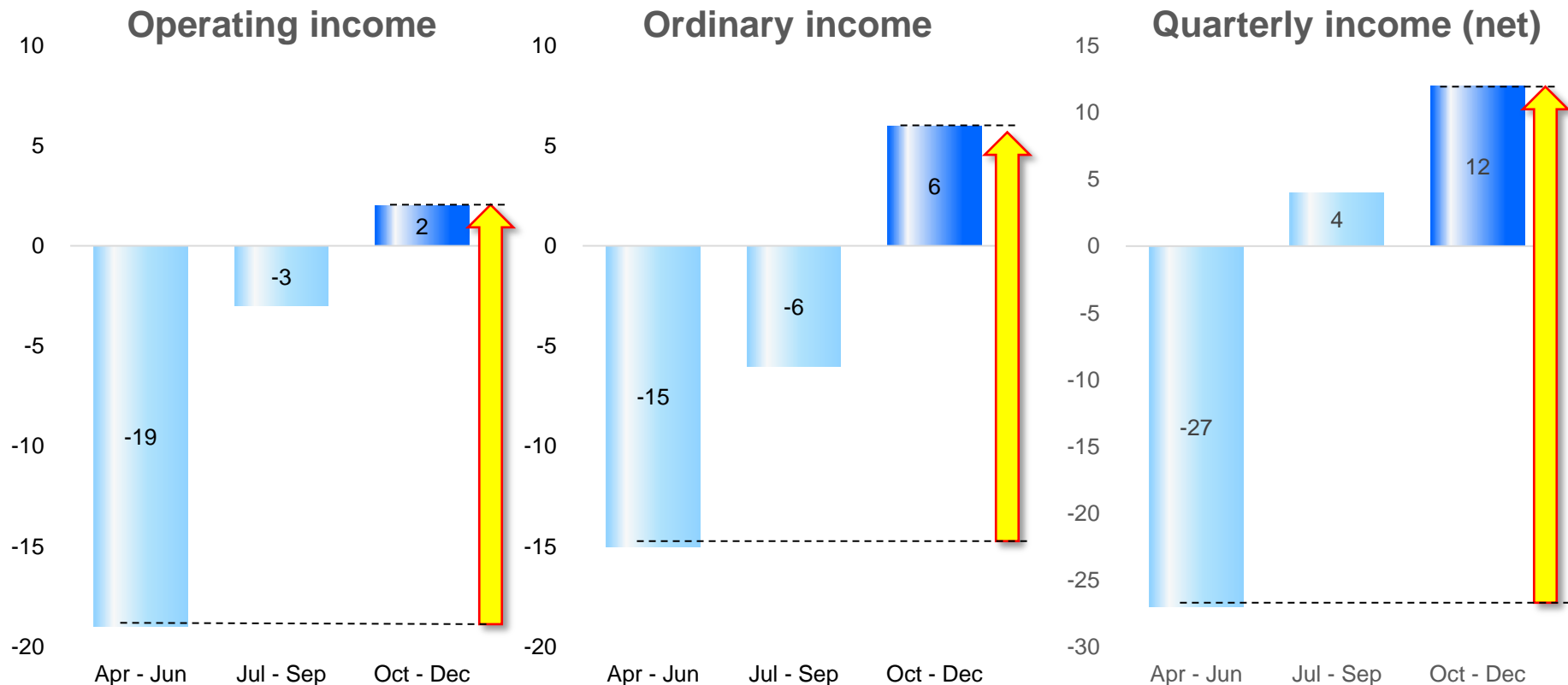
Key Point

- Significant improvement in income items every quarter.

Under J-GAAP

Quarter-basis consolidated income statement

(in 100 million yen)



Key Point

- Significant improvement in income items every quarter.

Under J-GAAP

Quarter-basis consolidated income statement

(in 100 million yen)

FY2016	Apr - Dec	Apr - Jun	Jul - Sep	Oct - Dec	Change
Operating revenue	579	195	182	201	+19
Operating income	-21	-19	-3	2	+5
Ordinary income	-15	-15	-6	6	+12
Quarterly income (loss) attributable to owners of parent	-10	-27	4	12	+8
Operating profit ratio	-3.64%	-10.01%	-2.10%	1.13%	+3.23%
ROE	-0.63%	-1.51%	0.27%	0.75%	+0.48%

Performance by Segments

Key Point

- Recorded steady operating revenue in each segment.
- Achieved consolidated operating revenue of 57.9 billion yen.

Operating revenue under J-GAAP

(in 100 million yen)

FY2016	Apr - Dec	Apr - Jun	Jul - Sep	Oct - Dec	Change
Domestic financial business	82	26	27	29	+2
Financial business in South Korea	199	74	59	65	+6
Financial business in Southeast Asia*	90	32	29	29	±0
Investment business	26	-	8	18	+10
Non-financial business	167	51	60	56	-4
Total after consolidation adjustment	579	195	182	201	+19

*Regarding financial business in Southeast Asia, operating revenue for 9 months in FY2016 reflects figures from January till September 2015.

Key Point

- Domestic financial business and Investment business contributed substantially.
- Financial business in South Korea improved by 2 million yen from the previous quarter (-1 million yen from July till September, 1 million yen from October till December).
- Recorded *provision of allowance for doubtful accounts in Financial business in Southeast Asia as a conservative accounting operation.

* Disclosed in the 1st half of FY2016 earnings presentation under IFRS

Segment income under J-GAAP

(Consolidated operating income after consolidation adjustments)

(in 100 million yen)

FY2016	Apr - Dec	Apr - Jun	Jul - Sep	Oct - Dec	Change
Domestic financial business	28	9	6	13	+7
Financial business in South Korea	1	1	-1	1	+2
Financial business in Southeast Asia	-57	-25	-9	-23	- 14
Investment business	25	-	7	18	+11
Non-financial business	2	1	2	-1	-3
Total after consolidation adjustment	-21	-19	-3	2	+5

*Regarding financial business in Southeast Asia, operating income for 9 months FY2016 reflect figures from January till September 2015.

Key Point

- IFRS and J-GAAP cause 3 months time lag in Southeast Asia. The 3rd quarter of FY2016 includes the results from October till December under IFRS while J-GAAP includes the results from July till September in consolidation.
- Amortization of goodwill for JTrust Bank Indonesia is included under J-GAAP.

Segment income under J-GAAP

(Consolidated operating income after consolidation adjustments)

(in 100 million yen)

FY2016	Apr - Dec			Oct - Dec		
	IFRS	J-GAAP	Time lag	IFRS	J-GAAP	Time lag
Domestic financial business	33	28	+5	13	13	±0
Financial business in South Korea	-3	1	-4	5	1	+4
Financial business in Southeast Asia	-40	-57	+17	-5	-23	+18
Investment business	27	25	+2	18	18	±0
Non-financial business	5	2	+3	-0.3	0	±0
Adjustments / Others	-28	-20	-8	2	-6	+8
Total	-6	-21	+15	33	2	+31

Domestic financial business

Key Point

- Posted good operating revenue and operating income, exceeded the target.
- For dividends of 12.3 billion yen received from J TRUST Card Co., Ltd., effective utilization with a flexible manner as a group.

Under J-GAAP

Highlights of domestic financial business

(in 100 million yen)

FY2016	Apr - Dec	Apr - Jun	Jul - Sep	Oct - Dec	Change
Operating revenue	82	26	27	29	+2
Operating income	28	9	6	13	+7

Under J-GAAP

Major subsidiaries' operating income in domestic financial business

(in 100 million yen)

FY2016	Apr - Dec	Apr - Jun	Jul - Sep	Oct - Dec	Change
Nihon Hoshou	*1 26	8	5	12	+7
Partir Servicer	2	0.4	0.8	0.8	±0
J Trust Card	2	0.9	0.7	1	+0.3

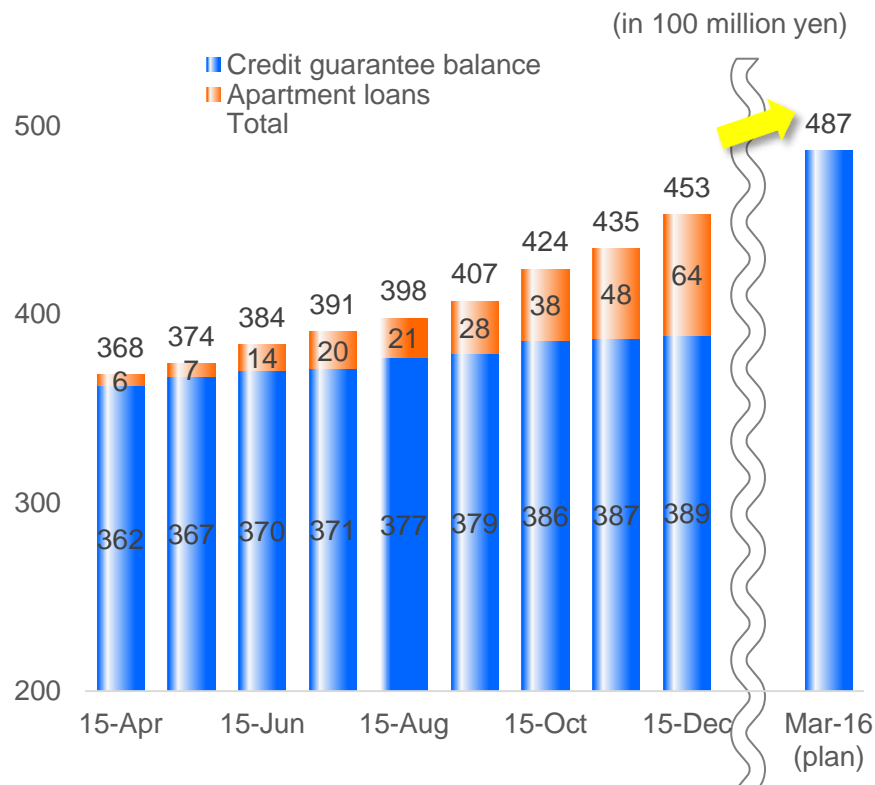
*1: 1 billion yen out of 2.6 billion yen of Nihon Hoshou's operating income comes from receivable collection.

(Note) Non-consolidated basis (before consolidated adjustment) as per Japanese standards

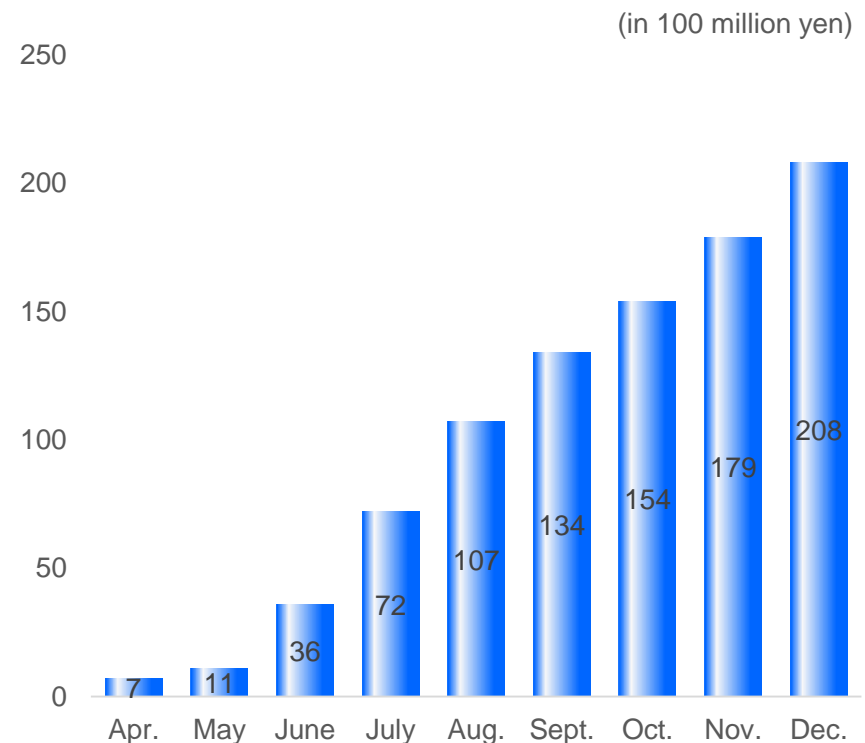
Key Point

- Built up credit guarantee balance as planned.
- Steadily increased the number of approved *Apartment Loan* toward FY 2016 target of 48.7 billion yen.

Credit guarantee balance at Nihon Hoshou



Approved *Apartment Loans*

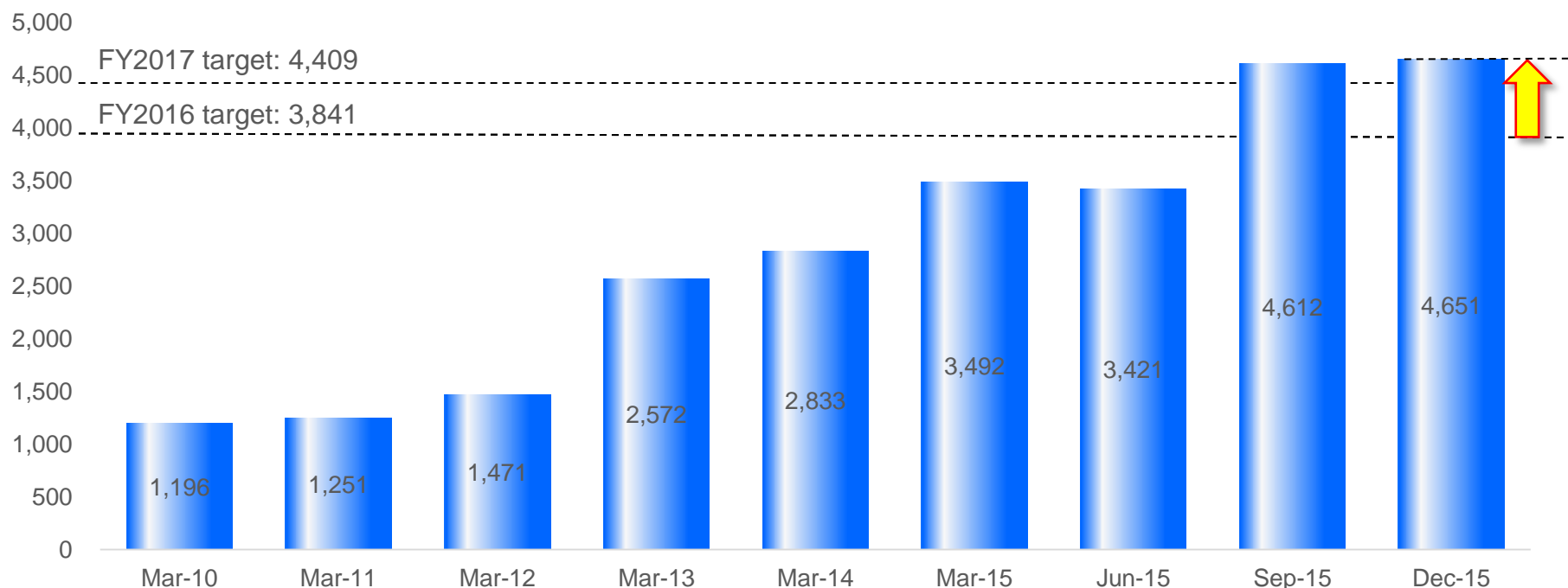


Key Point

- In the 3rd quarter, Partir *Servicer*'s amount of receivable continued to increase.
- Already achieved the amount of receivable as FY2016's target: 384.1 billion yen (achievement rate: 121%, which exceeded the target of FY2017).

Amount of receivable

(in 100 million yen)



Key Point

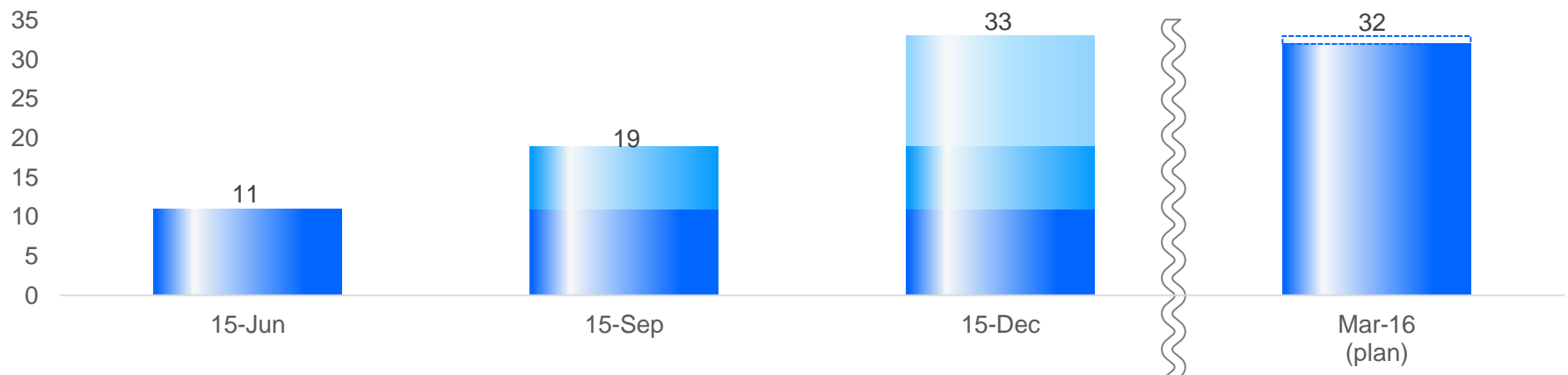
- Operating income under IFRS reached 103% of the target. Further growth is expected.

(in 100 million yen)

	December 2015 J-GAAP	December 2015 IFRS	March 2016 IFRS plan	Progress vs. full- year target (IFRS)
Operating revenue	82	79	111	71.2%
Operating income	28	33	32	103.1%

Expected increase in operating income (under IFRS)

(in 100 million yen)



Financial business in South Korea

Key Point

- Reported solid operating revenue.
- Operating income steadily increased. However, the increase was marginal due to the impact of negative goodwill posted in FY2015 under J-GAAP.

Under J-GAAP

Highlights of financial business in South Korea

(in 100 million yen)

FY2016	Apr - Dec	Apr - Jun	Jul - Sep	Oct - Dec	Change
Operating revenue	199	74	59	65	+6
Operating income	1	1	-1	1	+2

Under J-GAAP

Major subsidiaries' operating income in financial business in South Korea

(in 100 million yen)

FY2016	Apr - Dec	Apr - Jun	Jul - Sep.	Oct - Dec	Change
JT Chinae Savings Bank	20	6	6	7	+1
JT Savings Bank	3	0.4	1	1	±0
JT Capital	28	39	-5	-5	±0
TA Asset Management	10	1	2	6	+4

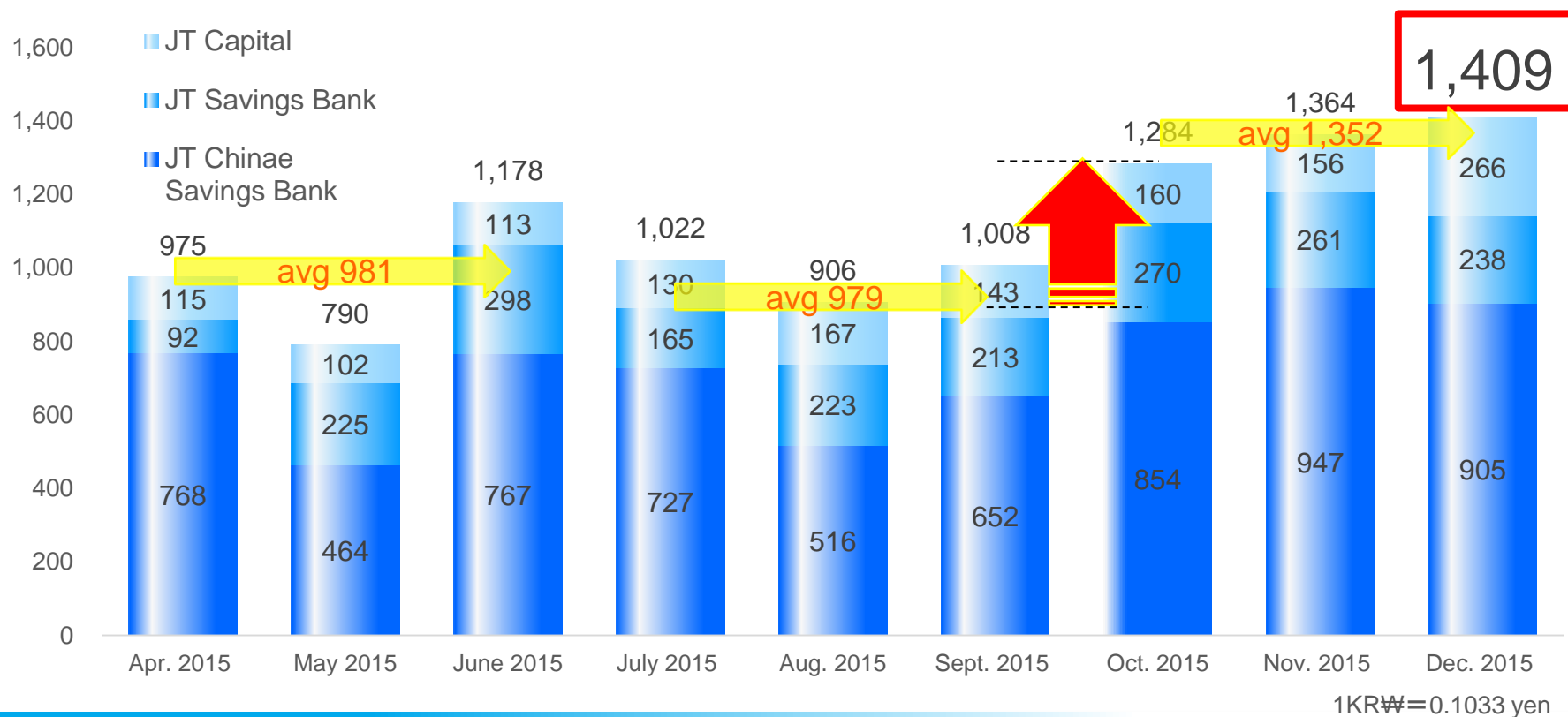
(Note) Non-consolidated basis (before consolidated adjustment) as per Japanese standards

Key Point

- Due to success in enhancing J Trust brand uniformity, the amount of loan disbursed per month hit a record high of 140.9 billion won in December 2015.

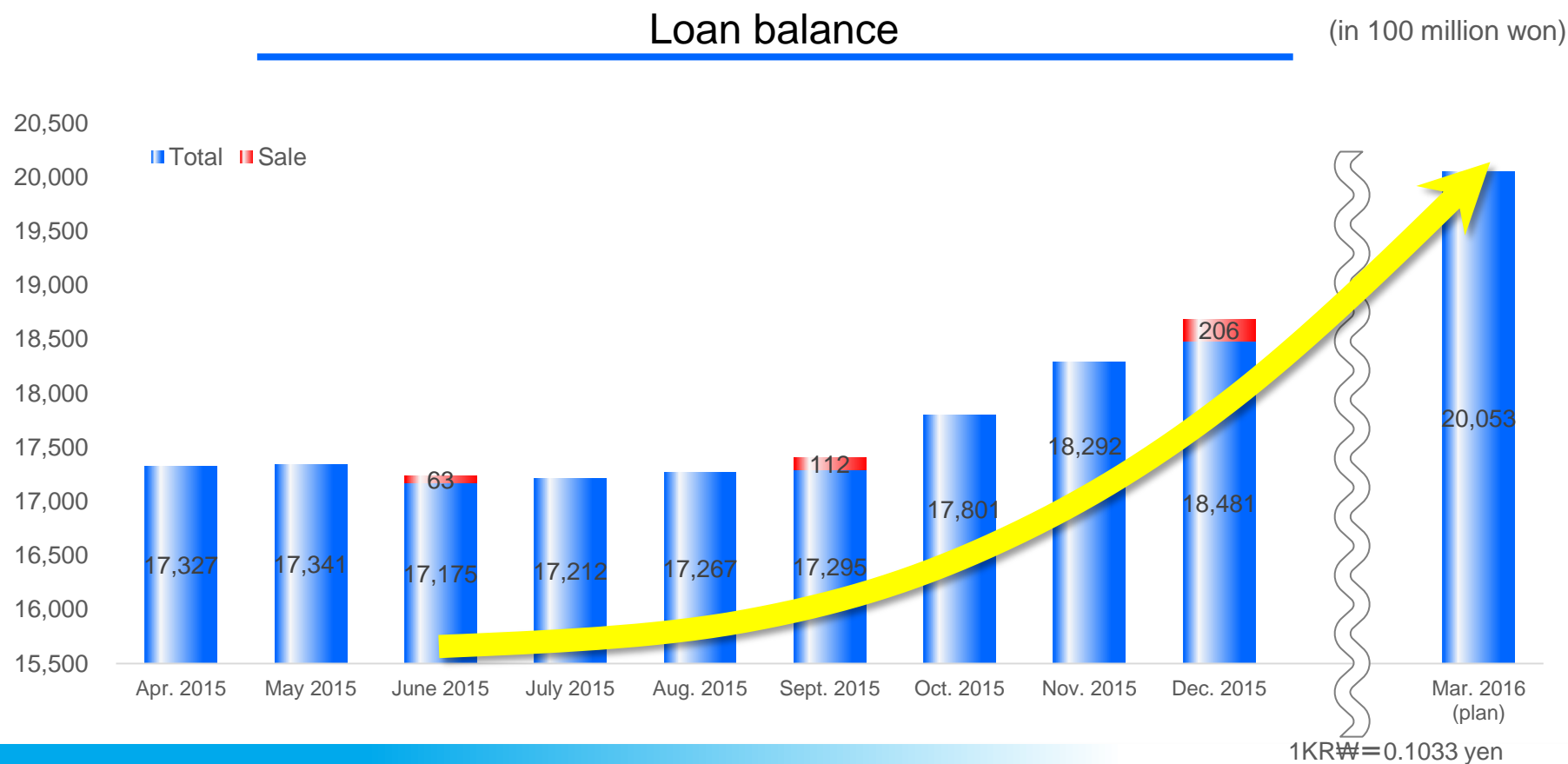
Amount of loan disbursed per month

(in 100 million won)



Key Point

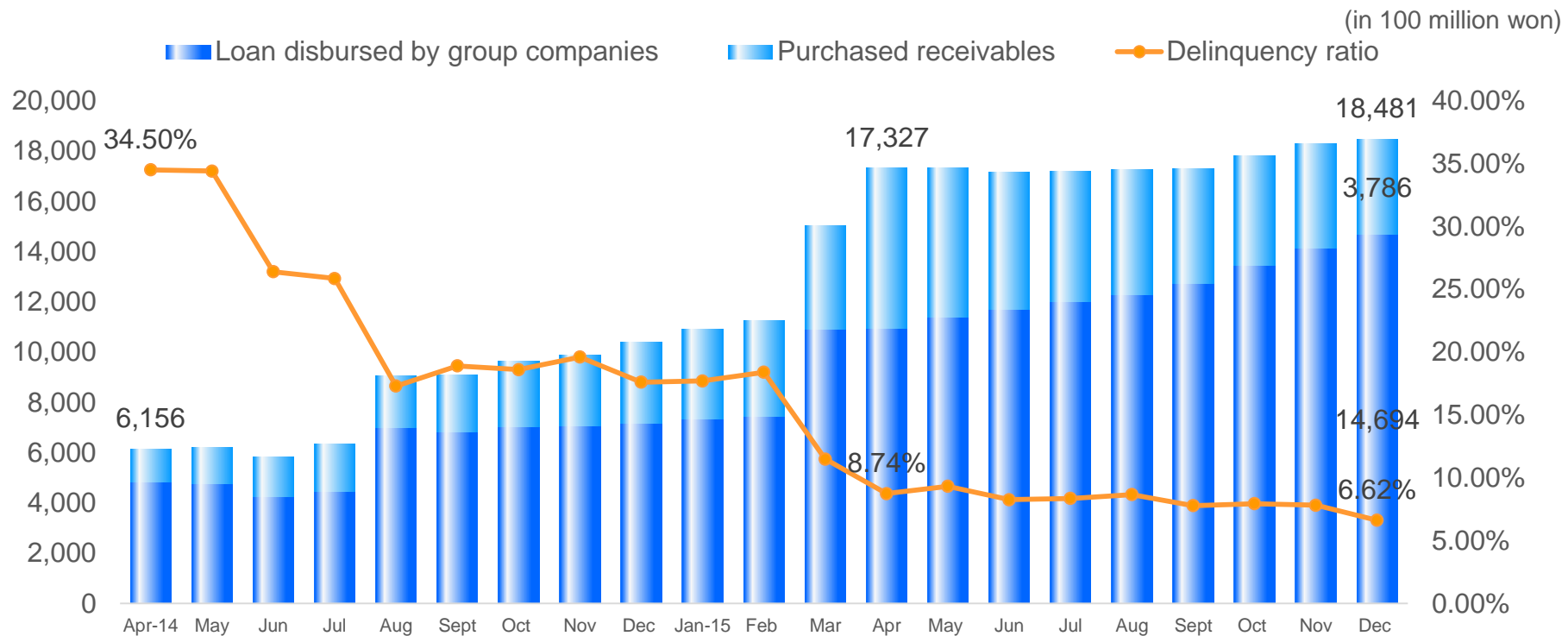
- Loan balance on a net basis has been increasing steadily since June 2015 and we expect to continue the trend.



Key Point

- Steady increase in loans screened and disbursed by group companies (bad debt ratio below 3%) and strong *Servicer* led to a reduction of NPL.
- Going forward, further reduction of NPL disposal costs is expected.

Loan balance and delinquency ratio at savings banks/capital company



*Definition of NPL: loans that are delinquent for 30 days or more

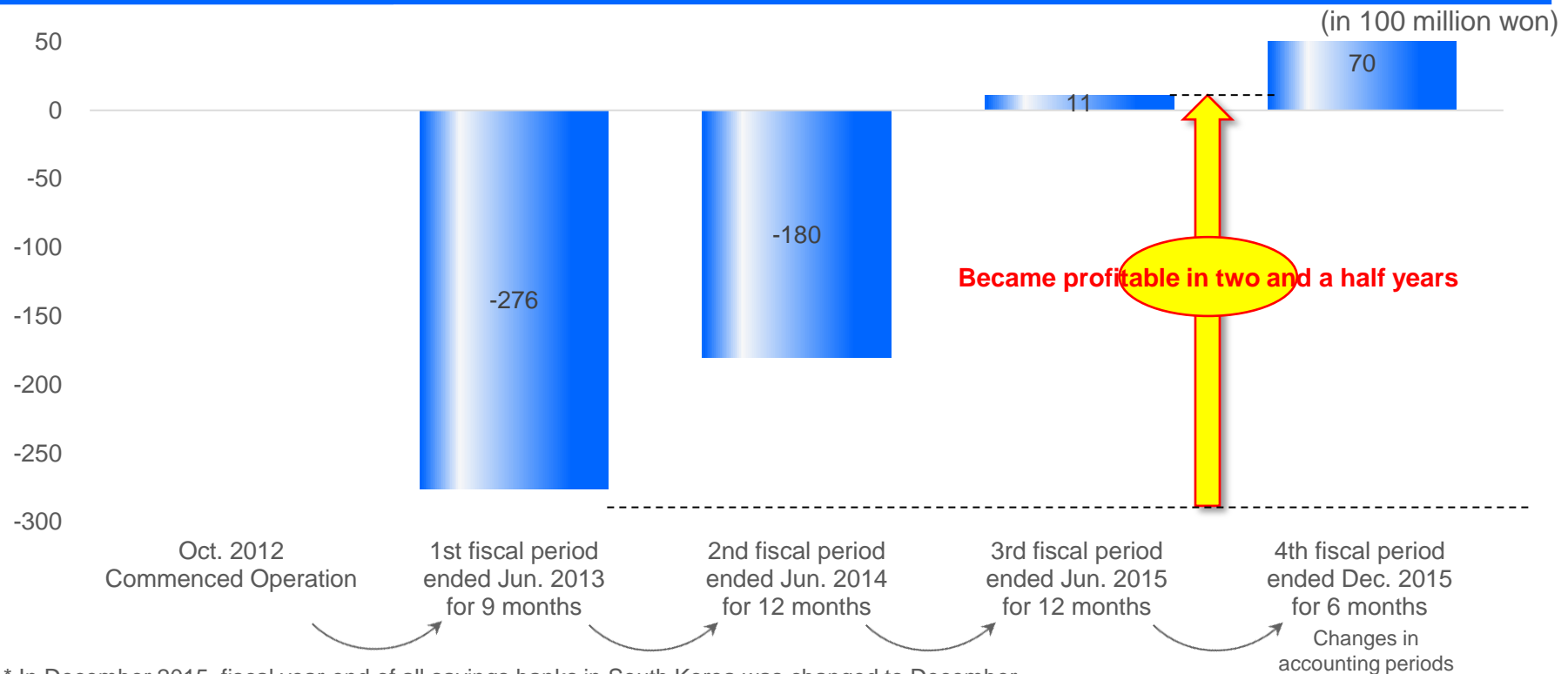
1KRW=0.1033 yen

Focus

- JT Chinae Savings Bank became profitable within 2.5 years of its founding by assuming a part of assets and liabilities from a savings bank which had ceased operations.
- In the 4th fiscal period, JT Chinae Savings Bank realized an operating income of 7.0 billion won.

K-GAAP

K-GAAP Operating Income of JT Chinae Savings Bank



* In December 2015, fiscal year end of all savings banks in South Korea was changed to December.

Key Point

- JT Chinae Savings Bank received an award in **AJU BUSINESS DAILY FINANCE · STOCK AWARDS 2015** in Dec. 2015, hosted by an internationally acclaimed *AJU BUSINESS DAILY* newspaper.
- Selected among all financial institutions in South Korea.
- Recognized as a trusted company based on close relationship with customers and rigorous compliance structures.



Key Point

- JT Chinae Savings Bank received the 1st award in 79 savings banks of **2016 FIRST BRAND AWARDS KOREA** (among 54 industries) in South Korea.
- The award recognizes JT Chinae Savings Bank's high evaluation and support by local customers.
- There are only 2 Japanese companies: 7-Eleven and JT Chinae Savings Bank were selected in the award.

The Award Ceremony



Evaluation methods and categories

Evaluation Method	
Monitoring by consumers	Monitored 852,740 consumers living in S. Korea, over 15 years old
Monitoring Period	From Nov. 19 to 29, 2015

Categories	
Evaluation for satisfaction levels	Satisfaction in quality and service
	Price satisfaction
	Satisfaction level against expectation
	Loyalty
Preference	Recommendation to others
	Most preferable brand in each sector (2nd)

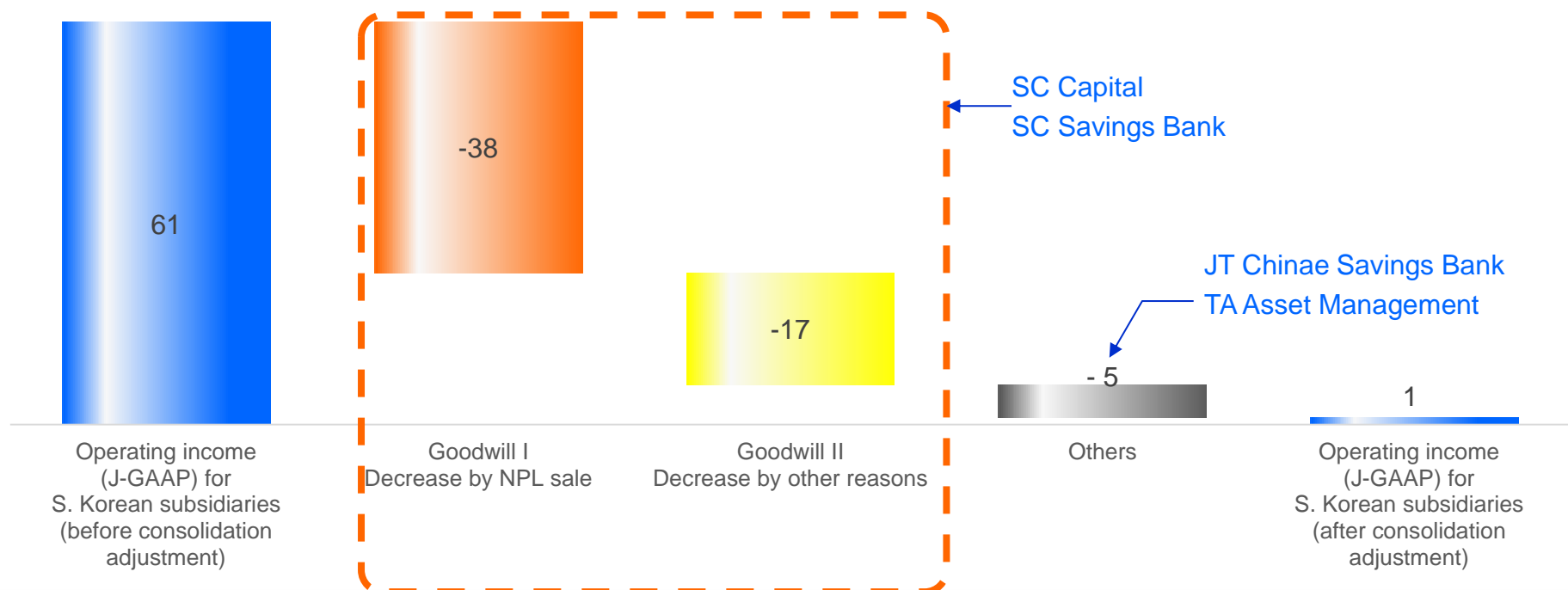
No.1

Key Point

- Gain on bargain purchase which was posted in FY 2015 affects this year's consolidated operating income.
- Total operating income of subsidiaries in South Korea converted into JGAAP is 6.1 billion yen.

Impact of goodwill amortization on OP income as of end Dec. 2015

(in 100 million yen)



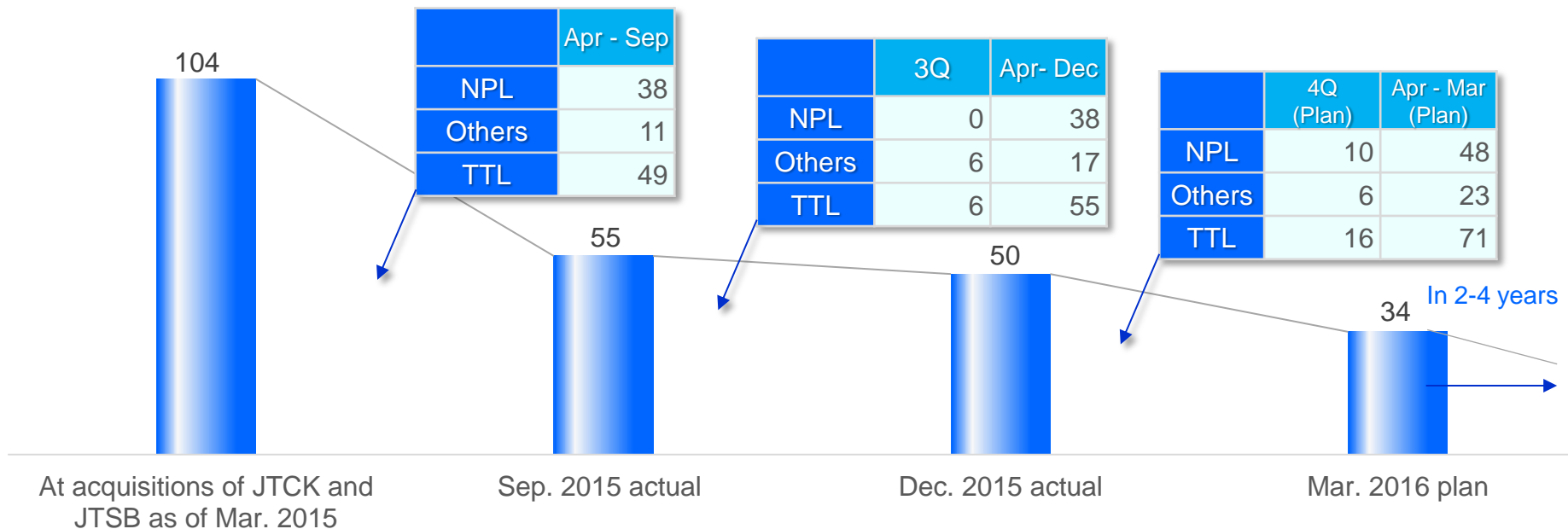
Key Point

- Impact of negative goodwill posted in FY 2015, when we acquired JT Savings Bank and JT Capital.

Decrease in balance of goodwill

(in 100 million yen)

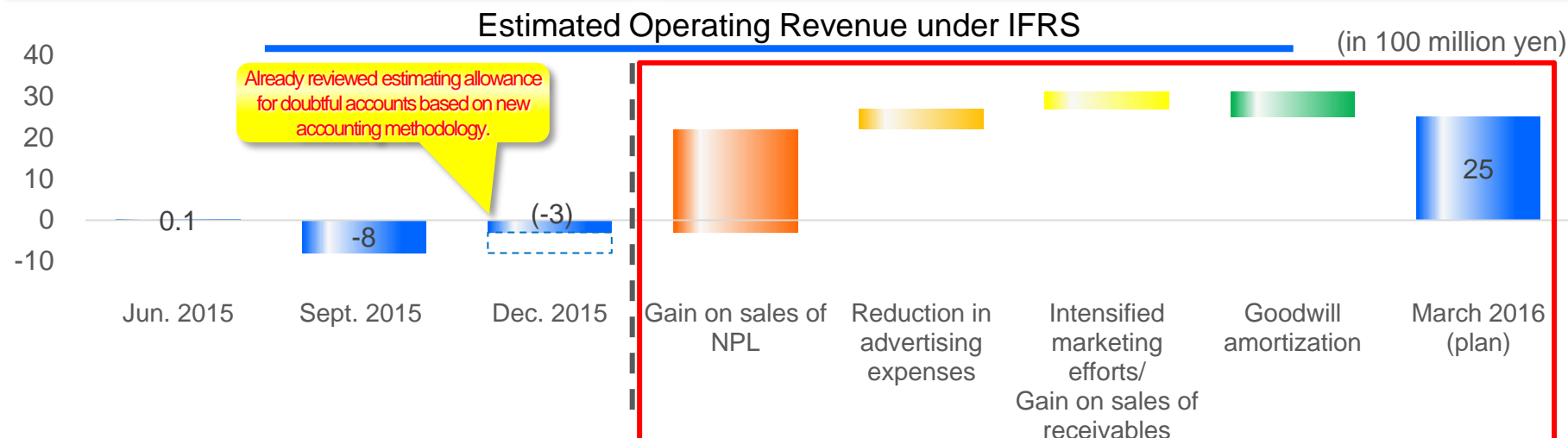
*1 Won=0.1 yen



Key Point

- With gain on sale of NPL and measures such as reinforcement of sales activities, and reduction in advertising expenses, we aim to attain the full year target.
- Introduced the new method for estimating provisions of allowance for doubtful accounts under IFRS as of end December 2015, which solved the issue of previous quarters.

	Dec 2015 J-GAAP	Dec 2015 IFRS	Mar 2016 FIRS (forecast)	Progress vs. full- year target (IFRS)
Operating Revenue	199	201	300	67.0%
Operating Income	1	-3	25	-12.0%



Financial business in Southeast Asia

Key Point

- Recorded flat operating revenue, for the loan balance remained insufficient due to continuing NPL disposals. Posted negative current-account balance of 0.2-0.3 billion yen each month.
- Increased operating loss due to the provision of allowance for doubtful accounts.

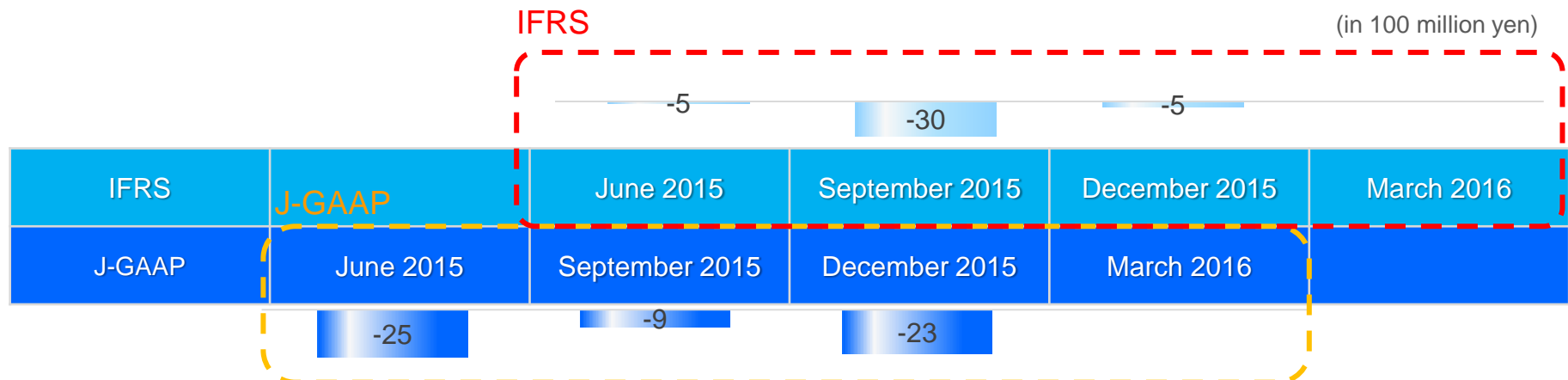
(Note) Disclosed as IFRS reference figure in 2Q.

Under J-GAAP

Highlights of financial business in Southeast Asia (in 100 million yen)

FY2016	Apr - Dec	Apr - June	Jul - Sep	Oct - Dec	Change
Operating revenue	90	32	29	29	±0
Operating income	-57	-25	-9	-23	-14

■ Image of consolidating results of Bank JTrust Indonesia (operating income)



Key Point

- Recorded operating loss in 2 periods (January-March and July-September) mainly due to provision of allowance for doubtful accounts.
- Improved operating income under IFRS by 25 billion yen in 3Q (October-December) from 2Q (July-September).

■ Differences by applicable standard (operating income)

(in 100 million yen)

FY2016	Total	Apr - Dec	Apr - Jun	Jul - Sep	Oct - Dec
IFRS	-40		-5	-30	-5
J-GAAP	-57	-25	-9	-23	

(in 100 million yen)

Operating loss breakdown:

Incl. allowance for doubtful accounts of -14

Single-month ordinary loss (approx. -2.5) x 3 =	-7.4
+ Provision of allowance for doubtful accounts of -5.2 =	-12.6
Amortization of goodwill:	-4.7
Loss on NPL disposal (posted ahead of schedule as a subsequent event):	-4.6
Other consolidated adjustment:	-0.8
Consolidated operating loss:	-22.7

Key Point

- Focused on restructuring through various measures since January 2015.
- Implemented property asset (collateral) review/transfer, reorganization/restructuring and further capital injection in a timely and speedy manner.

Achievements to date

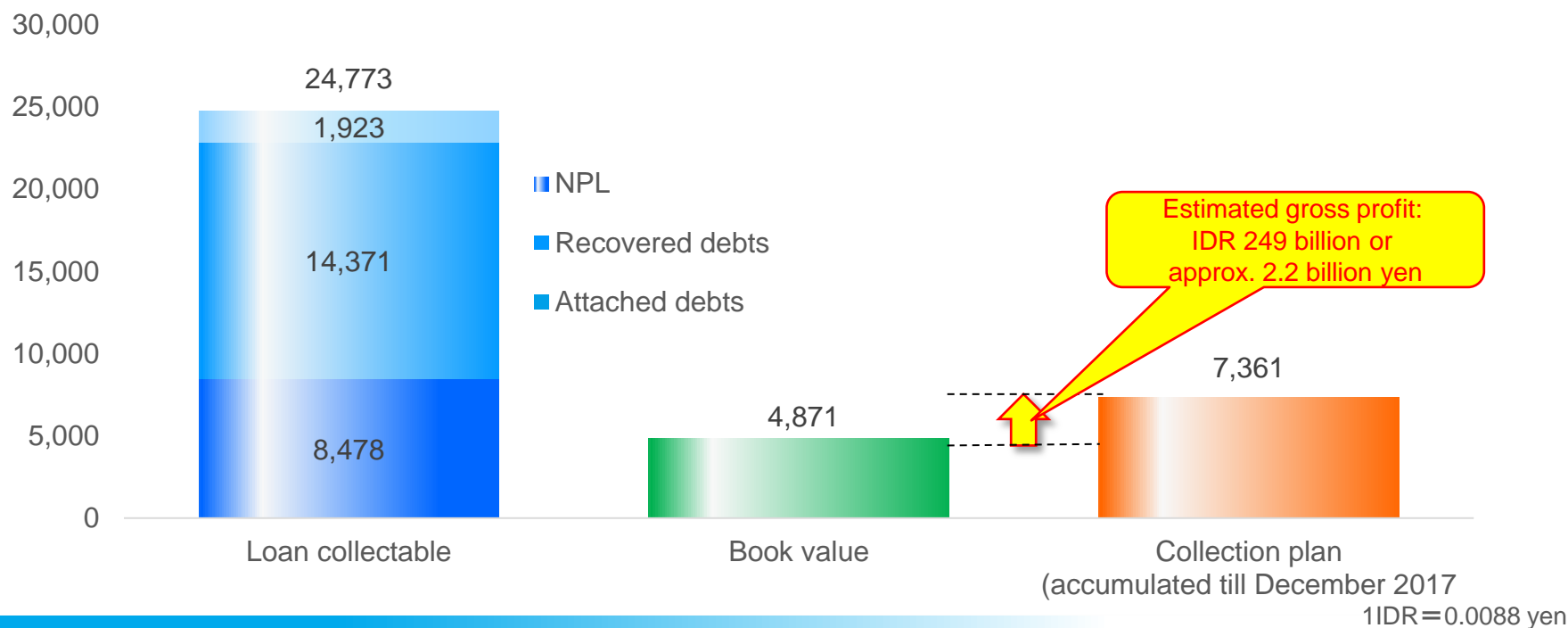
- ✓ Change the corporate name to “PT Bank JTrust Indonesia Tbk.” (Bank JTrust Indonesia).
- ✓ Carefully reviewed the asset quality and set aside allowance for doubtful accounts as necessary.
- ✓ Then, transferred NPLs to PT JTRUST INVESTMENTS INDONESIA (hereinafter, “JTII”) to focus on collection activity.
- ✓ Applied our collection know-how accumulated in Japan and South Korea. Also, sent in collection experts.
- ✓ Set up an exclusive team (Special Asset Management Team) within J Trust Bank to prevent assets from turning into NPLs.
- ✓ Sent in the management team for reorganization purpose.
- ✓ Improved the capital adequacy ratio through additional capital injection (IDR300 billion in March, IDR400 billion in September, USD25 million in October in subordinated bonds) for future asset expansion.

Key Point

- Transferred NPL amount of 2.4 trillion rupiah (approx. 22 billion yen) to PT JTRUST INVESTMENTS INDONESIA (JTII) for 487.1 billion rupiah (approx. 4.3 billion yen)
- The target is to collect 736.1 billion rupiah by December 2017.

NPL collection plan by PT JTII

(in IDR100 million)



Key Point

- Hired Mr. Ritsuo Ando, who awarded **The Best CEO in Leadership in Indonesian Banking Awards 2013**, to accelerate pursuit of our mid-term business plan.
- Hiring executive managements by maximizing Mr. Ando's personal network in Indonesia.

Career Highlights of Mr. Ritsuo Ando

1979	Joined Daiwa Bank (currently Resona Bank)
1989	Bank Perdania (Daiwa Bank's local subsidiary in Indonesia), currently PT Bank Resona Perdania (Indonesia)
1996	Chief of Indonesia Department, International Division, Daiwa Bank
2001	President Director, PT Daiwa Lippo Finance (currently PT Resona Indonesia Finance)
2007	General Manager, Overseas Business Development Department, ACOM CO., LTD.
2008	Vice President Director, PT Bank Nusantara Parahyangan
2009	President Director, PT Bank Nusantara Parahyangan
2013	Won The Best CEO in Leadership in Indonesian Banking Awards 2013
2015	November 1: Joined Bank J Trust Indonesia December: Director, Bank J Trust Indonesia



Key Point

- Changed the name of the bank to enhance “Japan brand (quality)” marketing
- Differentiate J TRUST BANK from other Indonesian banks to optimize a nation friendliness towards Japan.

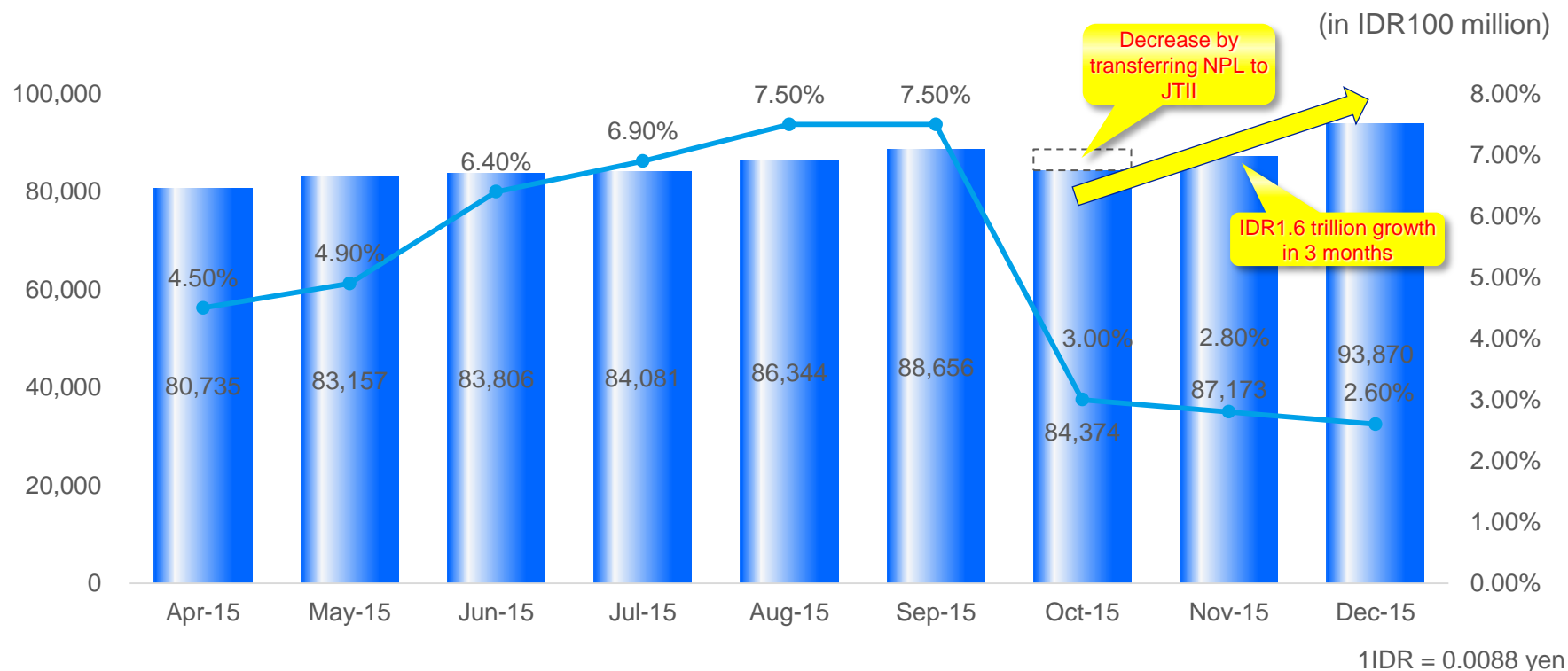
Wall sign on the main office with new company name (left) /
Inside and the exterior of a branch (right)



Key Point

- Transferred NPLs of 22 billion yen (approx.) to JTII in Oct. 2015.
- Reduced the NPL ratio to less than 3%. This, along with the additional capital injection, shifted the bank's status in the FSA regulatory control from "specified" to "general".
- Moved to a trend in loan expansion (e.g. IDR1.6 trillion built up in 3 months).
- Recorded high on net increase of 669.7 billion rupiah in Dec. 2015 since its acquisition.

Operating assets and NPL ratio

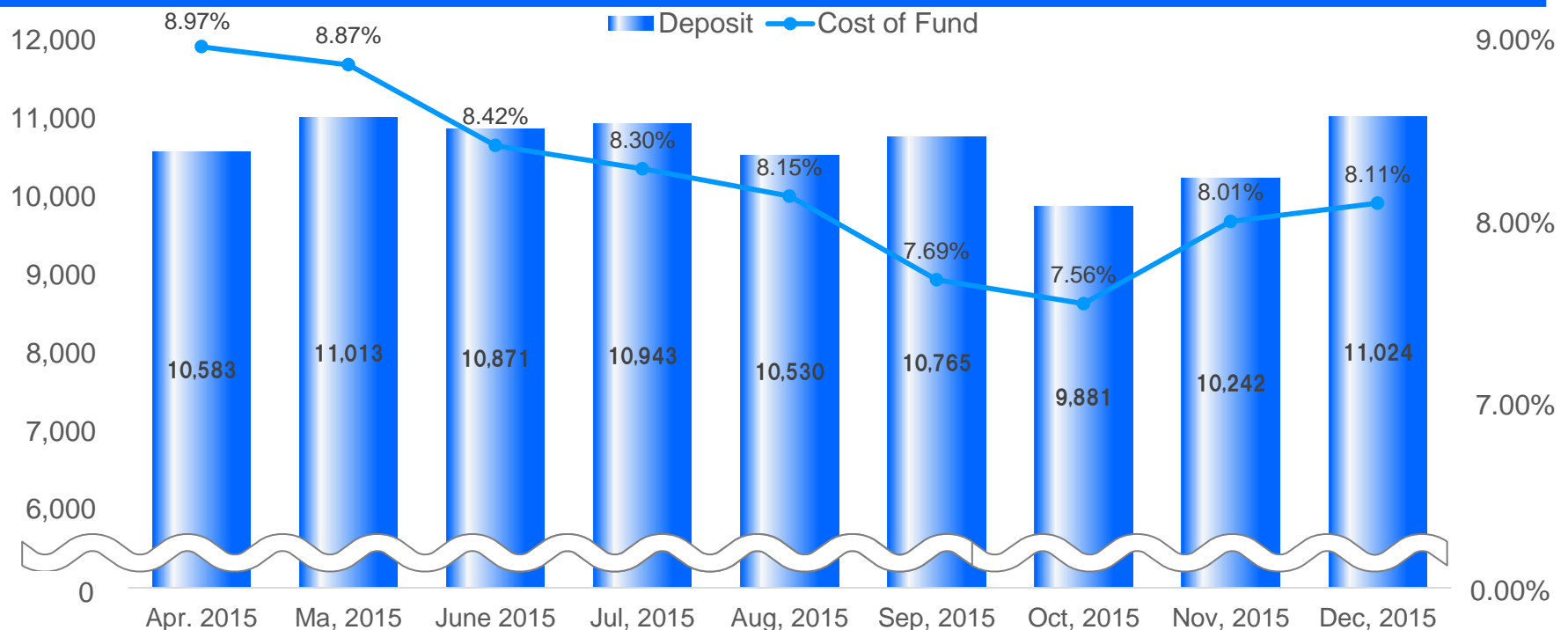


Key Point

- Gradually reduced COF by negotiating to lower high interest rates on large time deposit accounts.
- Built up low-interest deposits, focusing on sales activity to raise CASA ratio.
- Slightly increased deposits in the 3rd quarter of FY 2016, following the promotion to accumulate liquid deposit toward the end of the fiscal year.
- Accomplished the targeted interest rate on ordinary and dollar deposits with 8.04% average (8.20% target)

Deposit and COF

(in IDR100 million)



1IDR=0.0088 yen

Key Point

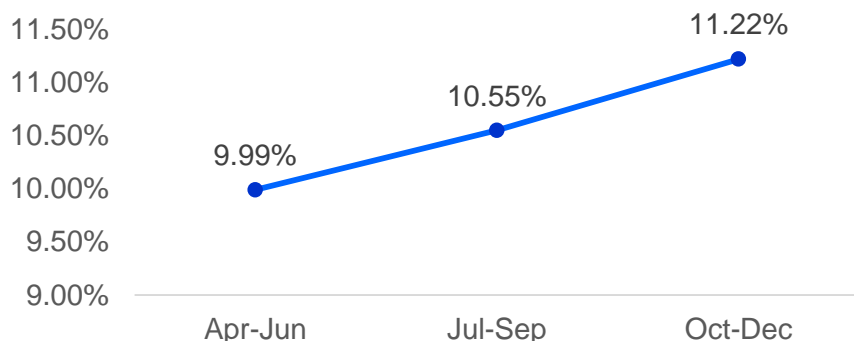
- Interest income increased due to expansion in operating assets and the rise in average lending interest rate.
- Reduced in deposit-related costs also contributed to steady growth in net interest income (interest income less interest expense).

Main figures of Bank J Trust Indonesia

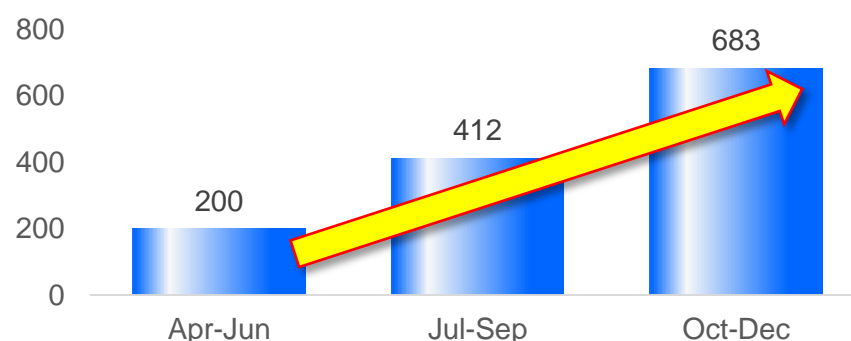
(in IDR100 million)

FY2016	Apr - Jun	Jul - Sep	Oct - Dec
Operating assets	83,806	88,656	93,870
Average lending interest rate	9.99%	10.55%	11.22%
Average deposit interest rate	8.43%	7.69%	8.04%
Net interest income	200	412	683

Average lending interest rate



Net interest income



Key Point

- **Loan:** Accumulated loans actively by setting up a new financing team.
- **Deposit:** Lowered COF by building up CASA through new mobile/Internet banking service for individual customers or via our Japan desk.

Loan policy

- ✓ Shift the target from large corporations to mid-size companies.
- ✓ Increase SME targeted loans.
- ✓ Further promote asset-based loans to small business owners: Acceptable collateral is automobile, motorbike, equipment, receivable, inventory, etc.
- ✓ Develop hire-purchase financing for consumers via GLFI (Group Lease Finance Indonesia).
- ✓ Set up Japan and South Korean desks.

Deposit policy

- ✓ Accumulate deposit and reduce COF by developing new deposit products.
- ✓ Launched mobile/internet banking service.
- ✓ Develop rupiah-basis products in Japan and build up deposit at low cost in collaboration with Japanese partner financial institutions.

Key Point

- We will have constantly reached the break-even point by Mar. 2016, to be accumulated loan balance, reduced interest costs and SG&A expenses.
- The fiscal year-end will record a reversal of allowance for doubtful accounts* for NPL disposals, which leads to better delinquency ratio under IFRS.

**Amount to be confirmed.*

- JTII's collection of NPL receivable will contribute to our earnings in earnest.

Jan – Sep 2015

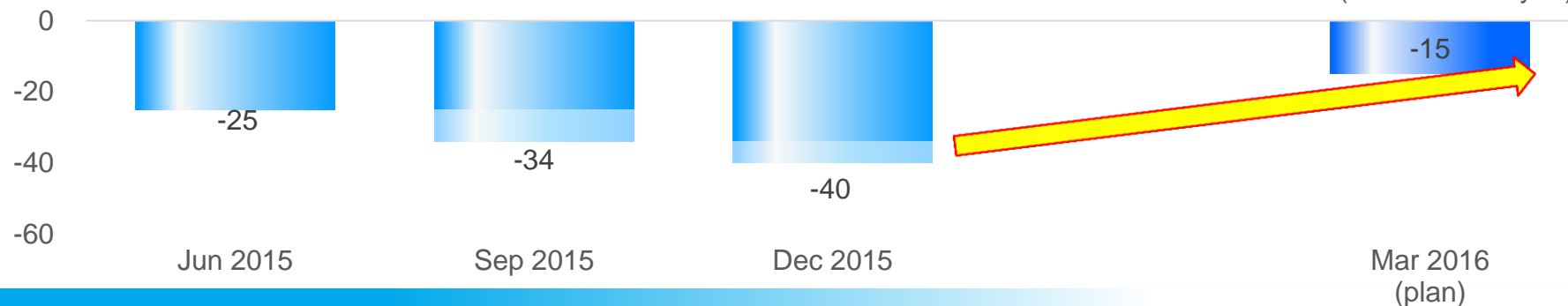
Apr – Dec 2015

(in 100 million yen)

	December 2015 J-GAAP	December 2015 IFRS	March 2016 IFRS (plan)	Progress vs. full- year target (IFRS)
Operating revenue	90	88	120	73.3%
Operating income	-57	-40	15	-266.7%

Expected increase in operating income (IFRS)

(in 100 million yen)



Non-financial business/Investment business

Key Point

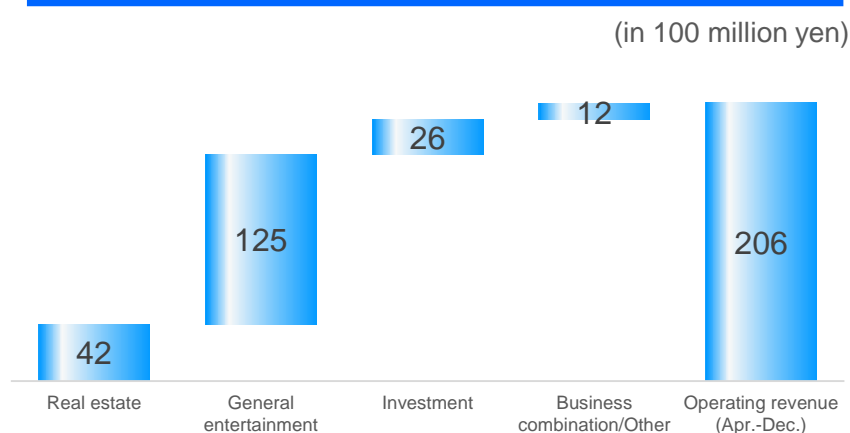
- Benefited greatly from investment business of JTRUST ASIA PTE. LTD.
- Added gain by underwriting and reporting GL's convertible bonds and reported 2.5 billion yen in operating income from investment business.

Under J-GAAP

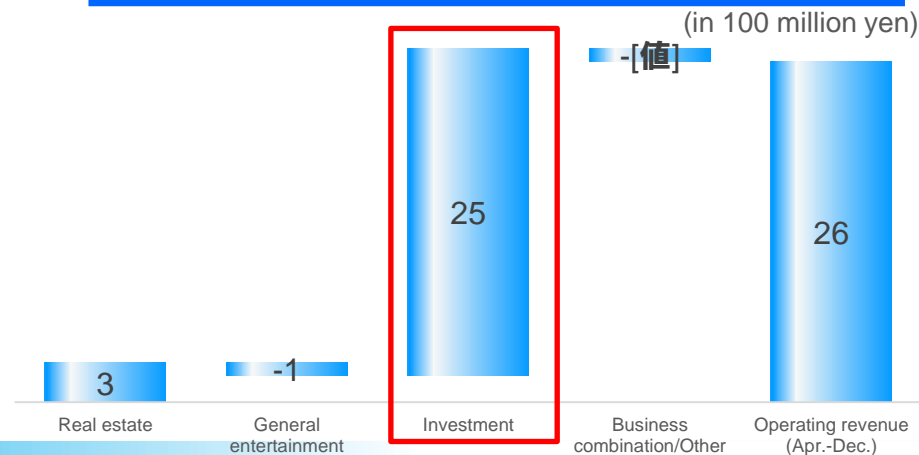
Highlights of non-financial and investment business

FY2016	Apr - Dec	Apr - Jun	Jul - Sep	Oct - Dec	Change
Operating revenue	194	51	69	74	+5
Operating income	27	1	9	17	+8

Operating revenue



Operating income



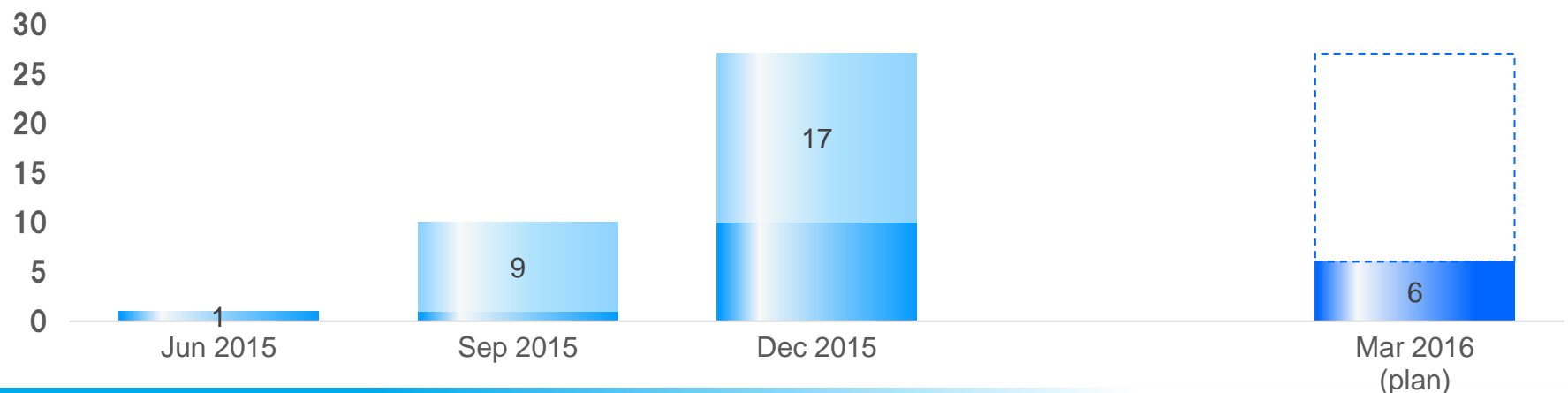
Key Point

- The target is to accumulate profits to contribute to the consolidated business results.

	December 2015 J-GAAP	December 2015 IFRS	March 2016 IFRS (plan)	Progress vs. full- year target (IFRS)
Operating revenue	194	194	250	77.6%
Operating income	27	32	6	533.3%

Expected increase in operating income under IFRS

(in 100 million yen)



Summary

Key Point

- Continue our efforts to meet the mid-term business plan by offsetting financial shortage in Southeast Asia with domestic financial and investment businesses.

Under IFRS *unaudited

Actual and target

(in 100 million yen)

FY2016	Full-year plan	Apr-Jun	Jul-Sep	Oct-Dec	Apr-Dec	Difference
Domestic financial business	32	11	8	13	33	+1
Financial business in South Korea	25	-8	0.7	5	-3	28 more
Financial business in Southeast Asia	15	-5	-30	-5	-40	55 more
Non-financial / Investment business	6	1	12	18	32	+26
Others*	—	-17	-11	2	-28	-
Total	75	-18	-21	33	-6	81 more

* Others includes gain/loss which does not belong to any segments and consolidation adjustments
(Foreign exchange losses (gains), loss on nursing care business, loss on sales of subsidiaries' stocks)

